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**BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.**

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Joint Application of)
)
ALITALIA-LINEE AEREE ITALIANE-S.p.A.)
and)
KLM ROYAL DUTCH AIRLINES)
and)
NORTHWEST AIRLINES, INC.)
)
for approval of and antitrust immunity for)
agreements pursuant to 49 U.S.C. §§ 41308)
and 41309)

Docket OST-99-5674 - 22

**JOINT RESPONSE OF ALITALIA-LINEE AEREE ITALIANE-S.p.A.,
KLM ROYAL DUTCH AIRLINES AND NORTHWEST AIRLINES, INC.
TO THE IAM REQUEST FOR EXTENSION OF TIME TO FILE COMMENTS**

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Dated: July 30, 1999

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TO THE IAM REQUEST FOR EXTENSION OF TIME TO FILE COMMENTS**

Alitalia-Linee Aeree Italiane S.p.A. ("Alitalia"), KLM Royal Dutch Airlines ("KLM"), and Northwest Airlines, Inc. ("Northwest") (collectively the "Joint Applicants") hereby jointly respond to the request for an extension of time to file comments made by the International Association of Machinists and Aerospace Workers, AFL-CIO ("IAM"). The IAM requests a two-week postponement of the date for filing Answers to the Joint Application. Alitalia is committed to resolving its dispute with the IAM through good faith negotiations in a collective bargaining process. While opposing the IAM request to delay the proceeding, the Joint Applicants propose an alternative that would enable the IAM to present fully its comments and still maintain the procedural schedule.

The IAM has failed to make any showing that a delay in this proceeding is necessary to protect its interests. The requested delay would jeopardize the prospect of achieving open skies in time to introduce new services to the travelling public during the winter 1999/2000 season beginning on October 3¹. The Joint Applicants urge that the procedural schedule be maintained for all parties, including the IAM. However, the Joint Applicants would not oppose an IAM motion for leave to file additional comments if such motion and comments were filed by August 13.

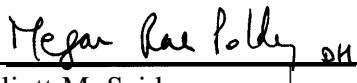
The IAM requests that the Department delay the date for Answers to the Application, now set for August 9, for two weeks to August 23. The basis is that the IAM and Alitalia have scheduled labor negotiations for August 5 and 6 that might resolve their dispute. If the dispute is not resolved then, the IAM says it “would want an opportunity to file comments”. However, the IAM should be able to prepare its comments on the contingency that the dispute will not be suddenly resolved on August 6. Indeed, the IAM’s position and arguments have already been presented to the Department in connection with the Joint Application and earlier applications of Alitalia for various operating authorities.’ Thus, the IAM has failed to present a sufficient basis for delaying this proceeding. The alternative proposal by the Joint Applicants would offer adequate opportunity for the IAM to state and, if necessary, supplement its comments.

¹ See IAM letter to President Clinton dated March 29, 1999 and IAM filings in Dockets 48 148, 49534 and OST-95-78.

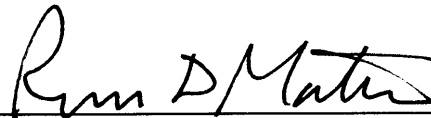
On the other hand, by postponing the coming of open skies, the requested delay threatens clear harm to the interests of the travelling public and of the airlines that plan to inaugurate new and improved services to Italy this winter season. Expedition in this proceeding is essential if the United States and Italy are to achieve an effective open skies agreement in time for new services to commence in the upcoming winter season beginning on October 3¹. Given the lead time required by airlines to assign aircraft and crews to new services and to market these services to passengers and shippers, this proceeding must be expedited on an urgent basis. A two week delay at the outset would jeopardize the prospect of concluding this proceeding and bringing the benefits of open skies to the public in a timely manner.

For these reasons, the Joint Applicants respectfully urge the Department to maintain its established procedural schedule and, instead of granting the IAM's request for a delay, enable the IAM to file supplemental comments on or before August 13 if it needs to do so.

Respectfully submitted,

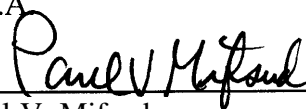


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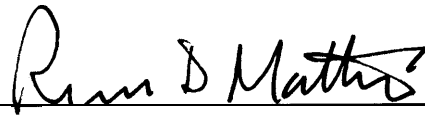


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Dated: July 30, 1999

CERTIFICATE OF SERVICE

I hereby certify that on this 30th day of July 1999, a copy of the foregoing JOINT RESPONSE OF ALITALIA-LINEE AEREE ITALIANE-S.p.A., KLM ROYAL DUTCH AIRLINES AND NORTHWEST AIRLINES, INC. TO THE IAM REQUEST FOR EXTENSION OF TIME TO FILE COMMENTS was served by first class mail, postage prepaid, on the parties named on the attached list.

A handwritten signature in black ink, reading "Richard D. Mathias", is written over a horizontal line.

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